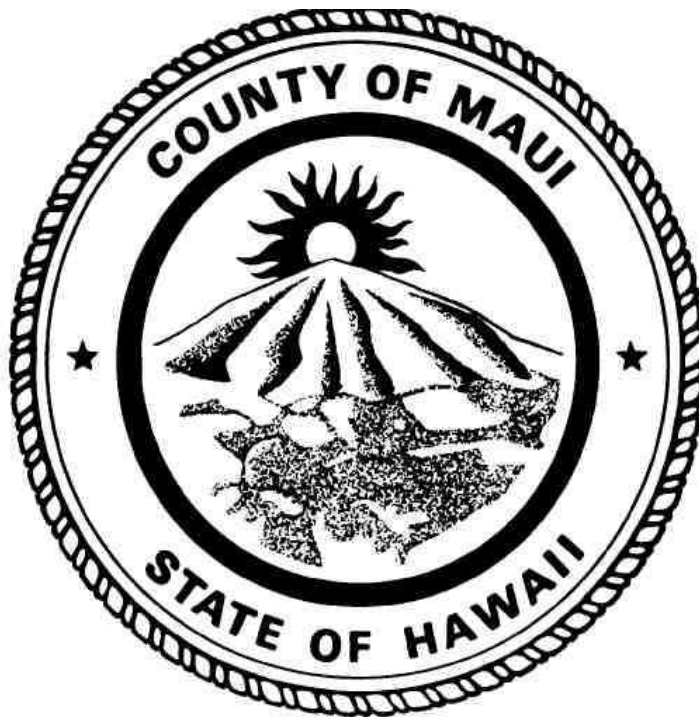


Glossary



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Agency	Any department, office, board, commission or other governmental unit of the County.
Appropriation	An authorization granted by the legislative body of a government, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and granted for a fiscal year period by the County Council.
Assessed Value	The value placed on real and other property as a basis for levying property taxes.
Benchmarks	A number against which to compare, e.g. prior year results or other jurisdictions' measures.
Bonds – General Obligation	A funding tool that is a written promise to pay a specific sum plus interest in the future, used to fund capital improvement projects. A general obligation bond is secured by the County's full faith and credit.
Bonds Rating	An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full. Two agencies regularly review County bonds and generate bond rating: Moody's Investors Service and Standard and Poor's Ratings Group.
Budget	A plan for the expenditures of financial resources covering a specific time period, usually a fiscal year, which, by adoption, constitutes legal authority to spend.
Budget (Proposed and Adopted)	The mayor submits a proposed budget to the County Council that reflects the expenditure and revenue levels for the coming fiscal year. When the mayor and County Council have formally endorsed the expenditure and revenue levels, the proposed budget becomes the adopted budget, appropriating funds and establishing legal expenditure limits.
Budget Calendar	A schedule of key dates and milestones that a government follows in the preparation and adoption of the budget.
Budgetary Basis of Accounting	The method of accounting applied to the budgetary accounts and the process used to determine when revenues and expenditures are recognized for budgetary purposes.
Budget Message	A general discussion of the budget presented in writing as part of the budget document. The budget message explains the principal issues against the background of financial trends and the priorities set forth in the budget.
Capital Expenditure	An amount expended for fixed asset acquisitions and improvements.
Capital Budget	A plan of capital expenditures and the means of financing them. The capital budget is adopted as part of the complete annual budget.
Capital Improvement Program (CIP)	A formal six-year plan for the acquisition and improvement of major assets, such as land, buildings, machinery and equipment, and

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	infrastructure (i.e. streets, highways, bridges, and other immovable assets.) The CIP identifies the operating impact, anticipated life, the amount to be expended in each year, and the method of financing those expenditures.
Carryover Savings	Unappropriated revenue and unencumbered balances of any appropriation in a fund at the end of the fiscal year. For budget purposes, this amount is included in the revenue estimates for the proposed budget year. See also <i>Fund Balance</i> .
Community Development Block Grant (CDBG)	Grant funds allocated by the federal government to the County of Maui to use for the prevention and removal of slum and blight, and to benefit low- and moderate-income persons. The County disburses these funds through an annual application process open to all nonprofit organizations and County departments.
Countywide Costs	Includes costs such as insurance, debt payments, interdepartmental transfers and employee benefits.
Debt Service	The interest and principal payments on bond issues used to finance certain capital improvement projects and loans.
Debt Service Requirement	The amount of money required to pay interest and principal on outstanding debt and the required contributions to accumulate monies for future retirement of long-term bonds.
Department	An operational and budgetary unit designated by the County Council to define and organize County operations, or a group of related operations within a functional area.
Encumbrance	Legal commitments related to unperformed (executory) contracts for goods and services. At year-end, encumbrances represent a reservation on fund balance.
Enterprise Fund	A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. User fees are established and revised to ensure that revenues are adequate to meet all necessary expenditures.
Equipment	The cost of new and replacement equipment, including vehicles and computers.
Equivalent Personnel (E/P)	A part or full time position converted to the decimal equivalent of a full time position. Employee hours are translated into an equivalent full time position. For example, one full time person = 1 E/P and one half time person = 0.5 E/P.
Estimated Revenue	The budgeted projected revenues, which are expected and realizable during the budget fiscal year, to finance all or part of planned expenditures.
Expansion	An increase in the scope of a program that results from a proposed new service or activity.

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Expenditure	The outflow of funds paid, or to be paid, for goods and services received during the current period. Note: an encumbrance is not expenditure; rather it represents a reservation on fund balance.
Fiscal Year	The 12-month period to which the annual operating budget applies, at the end of which a government determines its financial position and the results of its operations. The County of Maui operates on a fiscal year from July 1 through June 30.
Full-Time Equivalent (FTE)	The standardized unit of measurement of staffing equal to 2,080 hours of work per year.
Fund	A separate fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations. There are three major fund types: governmental, proprietary, and fiduciary.
Fund Balance	For this budget purpose, fund balance is defined as any unappropriated revenue and unencumbered balance of any appropriation in the respective funds at the end of the fiscal year that is available for appropriation. The fund balance at the end of the fiscal year immediately preceding the proposed budget year is transferred to estimated revenues as carryover savings in the proposed budget year, as the County Charter provides that such funds shall be available for appropriation for the succeeding year or years. See also <i>Carryover Savings</i> .
General Fund	The primary operating fund of a governmental organization that accounts for activities and services not required to be accounted for in another fund, and traditionally associated with governments, such as police and fire service, which are financed primarily through tax, intergovernmental and other non-exchange revenues.
General Obligation Bond	A bond sold to generate financing for various purposes, and to be repaid with normal, unrestricted operating revenue.
Generally Accepted Accounting Principles (GAAP)	Uniform minimum standards and guidelines for accounting and reporting. These standards govern the form and content of the annual financial statements of an entity. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).
Goals	Goals are broad statements of intent linked to the accomplishment of the overall countywide mission. They define the department's customers and its response to their needs and wants.
Governmental Fund	A major fund type generally used to account for tax-supported activities. Governmental funds use the modified accrual basis of accounting.

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Grants / Grants Revenue	A financial contribution by the County, state, federal or private organizations to support a particular purpose. The County receives as well as distributes grants. Grant funds are legally restricted to expenditures for specific purposes and provide a cost sharing alternative for programs and projects.
Infrastructure	Public domain fixed assets such as roads, bridges, wastewater systems, sidewalks and drainage systems.
Interfund / Interdepartmental Transfer	Governmental accounting transfers of revenue between funds. These transfers include overhead, fringe benefits and debt service charges as well as supplemental transfers from the General Fund for special fund operations and CIP.
Liability	Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. Note: the term does not include encumbrances.
Line-Item Budget	A budget that lists detailed expenditures categories separately, along the amount budgeted for each specified category. The County of Maui uses program rather line-item budgeting; however, detailed line-item accounts are maintained and recorded for financial reporting and control purposes.
Mandate	Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act (ADA), which requires actions such as physical facility improvements.
Mission Statement	A mission statement defines the purpose of work and calls attention to what is important. It forms the foundation for the management plan and makes possible clear and realistic goals and objectives. It is the foundation for priorities, strategies, performance and results.
Modified Accrual Basis of Accounting	Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for inventories, prepaid insurance, certain employee benefits, and principal and interest.
Objective	Quantified, outcome-based statements of what will be accomplished during the budget year. These annual performance goals are specific, measurable, time-bound, and realistic, yet challenging. Objectives cover day-to-day activities as well as one-time initiatives.
Operating Budget	A plan of financial operations embodying an estimate of planned expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The annual operating budget, as distinguished from the capital program budget, is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

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Operating Deficit	The deficiency of operating revenues under expenditures during a single accounting period.
Operating Surplus	The excess of operating revenues over operating expenditures during a single accounting period.
Operations	Expenditures such as materials and supplies, contracted services and other miscellaneous costs such as travel uniforms.
Operations Special Costs	Expenditures such as grants, contracts, or interfund transfers which have been reported separately from the normal operating expenditures of a department for informational purposes.
Ordinance	A formal legislative enactment by the County Council. If it is not conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the county.
Performance	Term commonly used to describe both the doing of work and what is achieved or accomplished.
Program	A group of activities, operations or organizational units organized to accomplish specific purposes, goals or objectives. It is a distinct functional unit within a department, consisting of a significant service provided using County resources.
Program Budgeting	A method of budgeting that focuses on services provided to customers at the functional (or program) level.
Program Measures	The end result of a program. They are specific data that give the program a way to measure the program's progress towards achieving its goals and objectives.
Real Property	Means all land and the improvements upon it including buildings, other structures, fences and any fixtures attached to them which cannot be removed without substantial damage to such land and improvements.
Recurring Expense	Normal expenses that are incurred in normal day to day operations.
Reserves	Accumulated funds legally restricted or otherwise designated by administration and/or County Council for specific purposes.
Resources	Amount available for appropriation including estimated revenues, interfund transfers and unreserved fund balances.
Revenue	Receipts received from various sources used to finance expenditures. Major sources include real property tax, the transient accommodations tax, fuel tax and sewer / cesspool user fees.
Revenue Bond	A bond sold to construct a project that will produce revenues pledged for the repayment of principal and related interest.

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Revolving Fund	A fund used to finance certain goods and services provided by County agencies on a self-supporting basis. It is used to pay for the cost of goods and services and is replenished through charges made for those goods or services or through transfers from other accounts or funds.
Special Assessment	A charge made against certain properties to help pay for all or part of the cost of a specific capital improvement project. Includes park land or a monetary assessment fee received from new developments.
Special Revenue Fund	Resources which are dedicated or set aside by law for a specified object or purpose, but excluding the general fund and revolving and trust funds.
Transient Accommodations Tax (TAT)	Also known as the hotel room tax.